



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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Lieutenant Governor

October 4, 2004

Bruce Mitchell Sawtooth Stone, LLC 103 West Center P.O. Box 49 Oakley, Idaho 83346-0049

Subject: Status of Small Mining Notice of Intention, Sawtooth Stone Supply, Sawtooth Stone Quarry #3, S/003/068, Box Elder County, Utah

Dear Mr. Mitchell:

On June 24, 2004, we received your application for your Sawtooth Stone Quarry #3 located on portions of Section 36, T11N, R16W, Box Elder County, Utah. In July, the School and Institutional Trust Lands Administration (SITLA) informed us that they had placed a stipulation on the approval of the lease and asked that we not accept your application until the lease was finalized.

We have just been informed by SITLA that the mineral lease situation has now been finalized. Your notice is found to be adequate with the Utah Mined Land Reclamation Rules with the exception of the bonding requirement. You have proposed two acres of disturbance; therefore, an \$8,000 bond is required before we can issue final approval of your notice.

SITLA informed us that you have not submitted an application to their office for review; but you have only obtained the lease. Because this site is located on BLM surface and SITLA minerals, you must obtain acceptance from the BLM and SITLA before you would be authorized to proceed. Please assure that both those agencies have a copy of your notice.

When you determine which type of surety you will post, please contact Joelle Burns at (801) 538-5291 or e-mail joelleburns@utah.gov to obtain the correct bonding form. All three agencies will need to be listed on the bonding instrument. A Reclamation Contract will also be required to accompany the bond. You may also download the bonding and contract forms on the internet at www.ogm.utah.gov (go to the mining program). Please provide a "draft" copy of



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all bonding documents before they are finalized, so we can check them for completeness and accuracy.

Thank you for your help in finalizing this permitting action. Please provide the required information within the next two weeks (by October 20, 2004). If you are unable to provide the surety within that timeframe, please request an extension and provide justification to delay finalizing this permit any longer.

Please contact me at (801) 538-5325 or Lynn Kunzler at (801) 538-5310 if you have any questions regarding this letter.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

Haddock

DRH:LK:jb

Cc: John Blake, SITLA

Mike Ford, BLM, SLFO (UTU-80420)

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